



# **HOUSING & NEIGHBORHOODS DEPARTMENT COMMUNITY DEVELOPMENT DIVISION HOMEOWNER REHABILITATION PROGRAM**

## **PURPOSE**

TO ASSIST LOW- AND MODERATE-INCOME PERSONS WITH THE REHABILITATION OF THEIR EXISTING HOME.

## **SOURCE OF FUNDS**

HOME INVESTMENT PARTNERSHIPS (HOME), COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), OR HOUSING BOND FUNDS

## **ELIGIBLE APPLICANTS**

AN APPLICANT MUST

- QUALIFY AS A LOW- TO MODERATE-INCOME HOUSEHOLD; AND
- PRESENTLY OCCUPY THE PROPERTY TO BE REHABILITATED; AND
- OCCUPY THE PROPERTY AS A PRINCIPAL RESIDENCE UPON COMPLETION OF THE PROJECT; AND
- OWN THE PROPERTY UNDER AN APPROVED FORM OF OWNERSHIP FOR A MINIMUM OF FIVE YEARS PRIOR TO APPLICATION.

## **ELIGIBLE PROPERTIES**

- PROPERTY MUST BE LOCATED WITHIN THE CITY LIMITS OF RALEIGH.
- PROPERTY MUST BE TRADITIONAL SINGLE-FAMILY HOUSING, WHICH CONTAINS ONE TO FOUR DWELLING UNITS.
- PROPERTY MUST HAVE ONE OR MORE SUBSTANDARD CONDITIONS BUT MUST BE SUITABLE FOR REHABILITATION. A PROPERTY MAY BE CONSIDERED NOT SUITABLE FOR REHABILITATION IF IT IS DILAPIDATED OR DETERIORATED BEYOND FEASIBLE ECONOMIC REPAIR.
- PROPERTY MUST HAVE ENOUGH EQUITY TO COVER THE AMOUNT OF THE LOAN.
- THE VALUE OF THE ASSISTED PROPERTY AFTER REHABILITATION, AS DETERMINED BY AN APPRAISAL, CANNOT EXCEED \$202,000.
- PROPERTY MUST MEET MINIMUM PROPERTY STANDARDS, AS DETERMINED BY COMMUNITY DEVELOPMENT STAFF OR DESIGNEE, UPON COMPLETION OF THE REHABILITATION.

## **ELIGIBLE COST**

FUNDS CAN BE USED TO COVER THE FOLLOWING COST:

- THE HARD REHABILITATION COST NECESSARY TO MEET REQUIRED PROPERTY STANDARDS; AND
- THE ASSOCIATED SOFT COSTS (I.E. CLOSING COSTS, APPRAISALS, FEES, ETC.)
- REFINANCE EXISTING DEBT (MORTGAGE) AGAINST THE PROPERTY ONLY IF REHABILITATION IS THE PRIMARY ACTIVITY. THE REHABILITATION COST MUST NOT EXCEED THE AMOUNT OF DEBT TO BE REFINANCED.

## **RELOCATION POLICY**

THE CITY DOES NOT PROVIDE ASSISTANCE TO HOMEOWNERS WHO ARE REQUIRED TO TEMPORARILY MOVE DURING THE RENOVATION OF THEIR HOMES SINCE PARTICIPATION IN THE HOMEOWNER REHABILITATION PROGRAM IS VOLUNTARY AND DOES NOT INVOLVE PERMANENT DISPLACEMENT.

**HOUSING & NEIGHBORHOODS 310 W. MARTIN ST. STE. 101, RALEIGH, NC 27601 (919) 996-4330**

## **LOAN TERMS**

<b>REHAB PROGRAM</b>	<b>DEFERRED LOAN (FORGIVABLE)</b>	<b>DEFERRED LOAN (REPAYABLE)</b>	<b>AMORTIZING LOANS</b>
<b>PROPERTY</b>	LOCATED WITHIN LOW INCOME CENSUS TRACT AREA (MAP AVAILABLE UPON REQUEST)	LOCATED OUTSIDE LOW INCOME CENSUS TRACT AREA BUT WITHIN CITY LIMITS	LOCATED WITHIN CITY LIMITS
<b>AGE</b>	NO RESTRICTION	62 AND OLDER OR DISABLED	NO RESTRICTION
<b>INCOME</b>	50% AND BELOW (SEE CHART BELOW)	50% AND BELOW (SEE CHART BELOW)	80% AND BELOW (SEE CHART BELOW)
<b>MAX LOAN AMOUNT</b>	\$45,000	\$35,000	AVAILABLE EQUITY
<b>INTEREST RATE</b>	0%	0%	0% OR 3%, DEPENDING ON ABILITY TO PAY
<b>MONTHLY PAYMENT</b>	\$0	\$0	DEPENDS ON LOAN AMOUNT
<b>TERM</b>	LOAN DUE UPON DEATH, SALE/TRANSFER OF OWNERSHIP, OR NON-OCCUPANCY. LOAN FORGIVEN AFTER 15 YEARS	LOAN DUE UPON DEATH, SALE/TRANSFER OF OWNERSHIP, OR NON-OCCUPANCY. LOAN IS NOT FORGIVEN	UP TO 20 YEARS LOAN IS NOT FORGIVEN

## **MAXIMUM QUALIFYING INCOME\***

TOTAL HOUSEHOLD INCOME IS CALCULATED BY ADDING ALL OF THE GROSS INCOME FOR EVERY PERSON 18 YEARS OF AGE AND OLDER WHO WILL BE LIVING IN THE HOME. \*MAXIMUM INCOME AMOUNTS CHANGE EACH YEAR, THE CHART BELOW IS FOR 2015.

### **PERCENT AREA MEDIAN INCOME GUIDELINES (REQUIRED USE DATE 06/06/2016)**

<b>FAMILY SIZE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>LOW – 50%</b>	\$26,850	\$30,650	\$34,500	\$38,300	\$41,400	\$44,450	\$47,500	\$50,600
<b>MODERATE – 80%</b>	\$42,950	\$49,050	\$55,200	\$61,300	\$66,250	\$71,150	\$76,050	\$80,950

**THIS IS PRESENTED FOR INFORMATIONAL PURPOSES ONLY.**

**UNDERWRITING GUIDELINES AND OTHER RESTRICTIONS MAY APPLY.**

FOR ADDITIONAL INFORMATION, PLEASE CALL (919) 996-4330.